

# Filtrona plc

## Acquisition of Contego Healthcare Limited

19 March 2013

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# Disclaimer (continued)

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# The role of M&A for Filtrona – a recap

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*Vision 2015*

## **PLACE**

- Reinforce & strengthen existing positions
- Enter into new geographies

## **PRODUCT & MARKETS**

- Expand range
- Accelerate entry into new markets and segments
- Bring new technologies

## **PEOPLE**

- Introduce new expertise to talent pool

**Complements balanced organic growth strategy**

# Acquisition of Contego Healthcare Limited



## About Contego Healthcare Limited

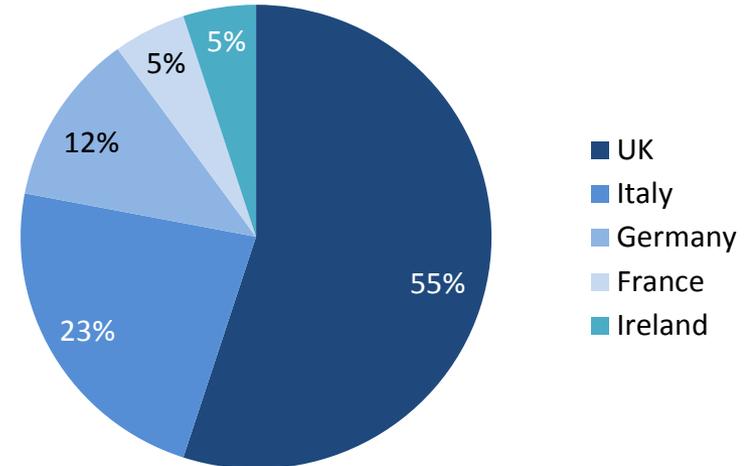
- A leading pan-European provider of innovative print, packaging and support services
- Product range includes folding cartons, leaflets, self-adhesive labels and printed foils used in blister packs
- Generates 98% sales in pharma / healthcare
- Strong, long-standing relationships with blue chip customers

## Key metrics (2012)

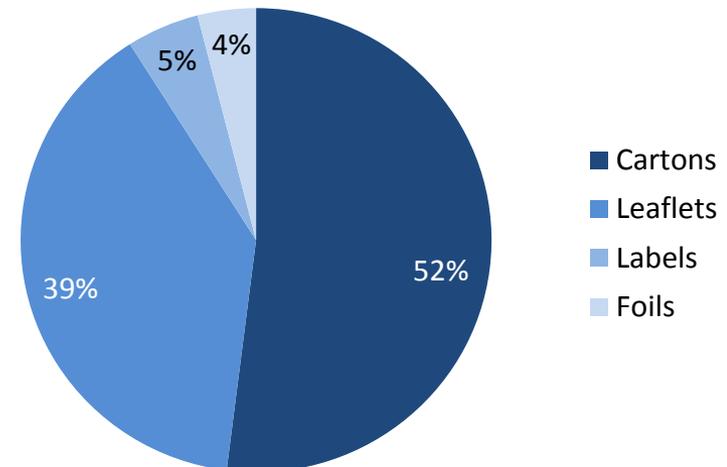
- Purchase price: c. £160m
- Revenue: c. £102.7m
- EBITDA: c. £17.9m
- EBIT: c. £13.9m
- Employees: c. 930
- Sites: 10

Note: The financial information relating to Contego is unaudited.

## Revenue by geography (2012)



## Revenue by product sector (2012)



**A transformational deal for C&SP**

# Acquisition of Contego Healthcare Limited



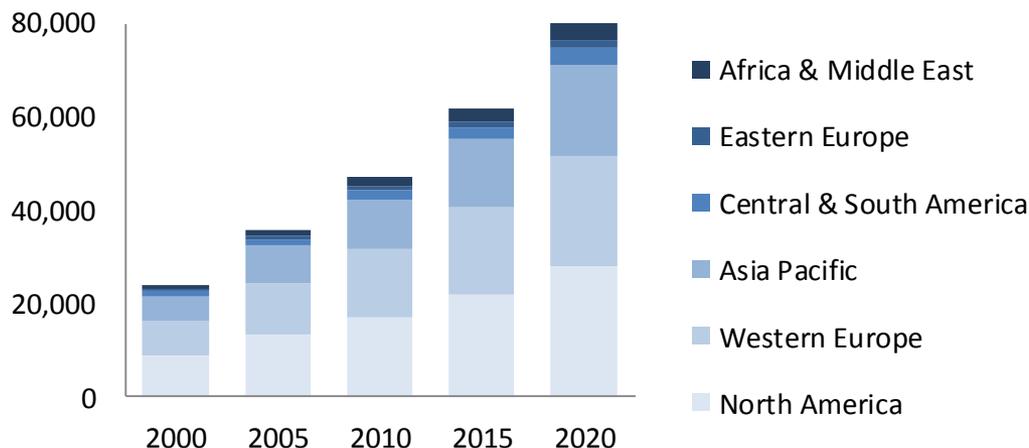
Versus our scorecard ...	... Contego delivers
<b>PLACE:</b>	<ul style="list-style-type: none"><li>▪ Adds significant scale in western Europe to C&amp;SP footprint</li><li>▪ Opportunity to grow into new territories</li></ul>
<b>PRODUCT &amp; MARKETS:</b>	<ul style="list-style-type: none"><li>▪ Complementary packaging solutions capabilities</li><li>▪ Step changes presence in attractive growth end-markets</li><li>▪ Opportunity for further development in Porous Technologies and speciality tapes</li></ul>
<b>PEOPLE:</b>	<ul style="list-style-type: none"><li>▪ Experienced management team</li><li>▪ Depth of expertise in the specific requirements of the sector</li></ul>
<b>RATIONALE:</b>	<ul style="list-style-type: none"><li>▪ Expected to be immediately EPS enhancing</li><li>▪ ROIC &gt; WACC expected by at least year 3</li><li>▪ Cross-selling revenue opportunities</li><li>▪ Purchasing and other efficiency savings</li></ul>



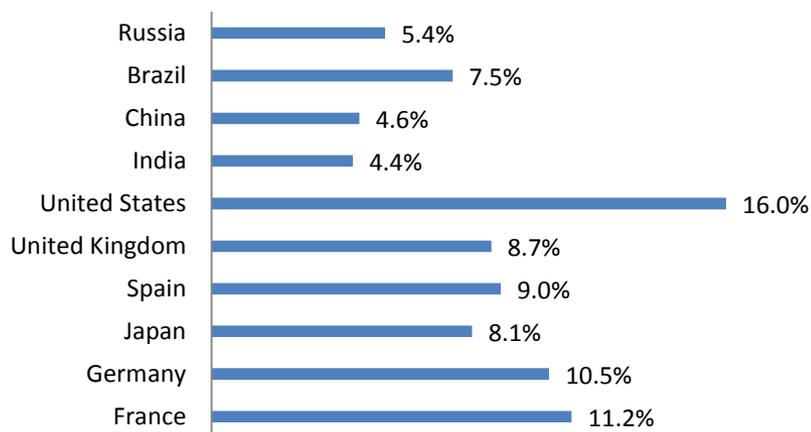
# Market drivers – global pharmaceutical packaging



**Global pharmaceutical packaging  
by region (Mn USD)**



**Healthcare spend in % of GDP**



- Market valued at US\$48bn (2010)
- CAGR of c. +6% (2010-2015E)
  - Healthcare CAGR = c. +9%
- Positive growth trends
  - Increasing global population
  - Ageing population
  - Increase in preventative and self-treatment
  - Regulatory requirements for greater product information
- Fragmented competitor base
  - #1 player holds c. 5% share
  - Top 8 account for c. 23%

**A sizeable end-market with +ve growth trends**

Sources: Freedonia Industry Study 2765 on World Pharmaceutical Packaging dated June 2011, Contego extract of Visiongain Healthcare Packaging Market 2011-2021 dated March 2011

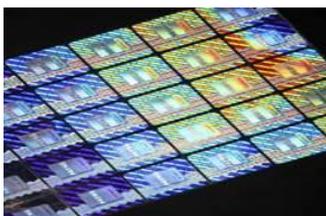
# Acquisition summary

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- Consistent with Filtrona's Vision 2015 strategy
- Highly attractive business in growing end-markets
- Significantly upweights position in a target go-to-market category
  - Approx. 16% Group 2012PF revenue generated in pharma / healthcare vs c. 3% 2012A
- Meets Filtrona's stated acquisition criteria
- Placing retains financial flexibility
  - Resulting net debt / EBITDA of c. 1.3x\*

**Acquisition of Contego meets Filtrona's "3Ps"**



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